

RAL

RESOLUTION NO. RA\_\_

**A JOINT RESOLUTION OF THE COUNCIL OF THE CITY OF MILPITAS AND THE  
CITY OF MILPITAS REDEVELOPMENT AGENCY AUTHORIZING THE  
EXECUTION OF AN EXCLUSIVE NEGOTIATION AGREEMENT WITH MID-  
PENINSULA HOUSING COALITION**

BE IT RESOLVED BY THE Council of the City of Milpitas and the City of Milpitas Redevelopment Agency that the City Manager and/or the Executive Director is hereby, authorized and directed for and on behalf of the City Council and Redevelopment Agency Board to enter into an Exclusive Negotiation Agreement with Mid-Peninsula Housing Coalition for the development of an affordable senior housing project on property identified as Assessor Parcel Number 022-08-041, 163 North Main Street, in the form and the document hereunto attached, marked Exhibit "A", any by reference made part hereof.

PASSED AND ADOPTED this 18th day of May, 2004, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Gail Blalock, Agency Secretary

\_\_\_\_\_  
Jose S. Esteves, Chairperson

APPROVED AS TO FORM:

\_\_\_\_\_  
Steven T. Mattas, Agency Counsel

## **EXCLUSIVE NEGOTIATION AGREEMENT**

(163 North Main Street)

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by and between the MILPITAS REDEVELOPMENT AGENCY, a public body, corporate and politic, and the CITY OF MILPITAS, a municipal corporation, hereinafter collectively referred to as ("City"), and MID-PENINSULA HOUSING COALITION, a California nonprofit public benefit corporation hereinafter referred to as ("Developers").

WHEREAS, the City owns a certain parcel of land located at 163 North Main Street, APN # 022-08-041, attached Exhibit "A" hereto (the "Site"); and

WHEREAS, the City and Agency desire development of the Site as high density affordable housing for seniors (the "Project") and have partial funding available for this purpose; and

WHEREAS, in September 2002, Developer submitted an unsolicited proposal to the City for the construction of senior housing on the Site and has subsequently provided information on the approach and possibility for development of the Site; and

WHEREAS, the Developer has over 30 years of experience in the development, financing and construction of senior and family affordable housing projects; and

WHEREAS, the City, Agency and the Developer desire to enter into a period of exclusive negotiations for the development of affordable senior housing on the Site, the purpose of which is to allow time to negotiate the terms of a Sale/Lease Disposition and Development Agreement ("DDA") for the Site.

NOW, THEREFORE, the parties agree as follows:

1. The Agency hereby grants to the Developer the exclusive right to negotiate the purchase/lease of the Site in accordance with the terms-and-conditions-provided herein. This Agreement does not require either party to accept any proposal if the party, acting in good faith, deems that such terms are not in its best interest. Further, this Agreement does not impose an obligation on the City or Agency to convey any interest in the Site to the Developers, nor does it obligate the Developers to purchase and/or lease the Site.
2. This right shall commence on the day and year first above written and shall continue until November 16, 2004. The time period set forth herein may only be extended upon mutual written agreement of the parties.
3. This right is granted in consideration of the Developer's payment to the City of the sum of five thousand (\$5,000) dollars, receipt of which is hereby acknowledged.

4. If the parties enter into a DDA for the Site within the time specified herein, then the consideration paid by the Developer shall apply to the purchase price, lease price, or development costs of the Site. In the event the parties fail to enter into a DDA for the Site within the time specified herein, all sums and services rendered to the City and Agency by the Developer shall be automatically retained by the City in consideration of the granting of this exclusive right to negotiate, unless the Developer is excused from performance by a vote of the City and Agency, based upon findings of unusual or mitigating circumstances.
5. If the parties fail to enter into a DDA for the Site within the time specified herein, then this Agreement shall automatically and immediately terminate without notice.
6. The parties agree that the minimum development of the site is a 98 unit very low and low-income senior housing project with required parking and that the site may be developed concurrently with the development and construction of a 55,000 square foot Santa Clara County Health Center.
7. The Developer shall assist the City and Agency in meeting its obligations under the California Environmental Quality Act ("CEQA") by providing preliminary designs and information of programs and services to be provided at the Site.
8. Other terms, conditions, and reservations of sale and development shall be contained in the Disposition and Development Agreement subject to negotiation by the parties hereto.
9. This instrument contains the entire Agreement between the parties relating to the exclusive right to negotiate herein granted. Any oral representations or modifications concerning this instrument shall be of no force and effect excepting a subsequent modification in writing signed by the parties hereto.
10. Any notice hereunder to the respective parties shall be deemed delivered if given in writing, mailed via registered mail, with postage prepaid, addressed to the other party at the address given on the signature page of this Agreement or at such other address as the parties may from time to time designate by written.
11. By execution of this Agreement, the City and Agency are not committing themselves to: (a) convey the Site to Developers or (b) undertake any other acts or activities requiring the subsequent independent exercise of discretion by the City or Agency. Execution of this Agreement by the City and Agency is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion on any subsequent actions to the City Council and Agency Board.

REDEVELOPMENT AGENCY OF  
THE CITY OF MILPITAS

BY: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Agency Clerk

CITY OF MILPITAS


BY: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
City Attorney

MID-PENINSULA HOUSING COALITION  
658 Bair Island Road, Suite 300  
Redwood City, California 94063

BY:   
President